## COMMITTEE ON LEGISLATIVE RESEARCH OVERSIGHT DIVISION

## **FISCAL NOTE**

<u>L.R. NO.</u>: 3097-01 <u>BILL NO.</u>: HB 1492

**SUBJECT**: Education, Elementary and Secondary: Teachers

<u>TYPE</u>: Original

<u>DATE</u>: March 27, 2000

# **FISCAL SUMMARY**

ESTIMATED NET EFFECT ON STATE FUNDS							
FUND AFFECTED	FY 2001	FY 2002	FY 2003				
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0				

ESTIMATED NET EFFECT ON FEDERAL FUNDS							
FUND AFFECTED	FY 2001	FY 2002	FY 2003				
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0				

ESTIMATED NET EFFECT ON LOCAL FUNDS						
FUND AFFECTED	FY 2001	FY 2002	FY 2003			
Local Government	GREATER THAN \$100,000	GREATER THAN \$100,000	GREATER THAN \$100,000			

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 3 pages.

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#### **FISCAL ANALYSIS**

#### **ASSUMPTION**

Officials from the **Public School Retirement System of the School District of Kansas City** assume the proposal would have no fiscal impact on the retirement system.

Officials from the **Public School Retirement System and Non-Teacher School Employee Retirement System** assume the proposal does not appear to create a "substantial proposed change" as that term is defined in Section 105.660, RSMo.

Officials from the **Joint Committee on Public Employee Retirement** assume the legislation is not a "substantial proposed change" in future plan benefits as defined in Section 105.660(5). Therefore, no actuarial cost statement would be required for the legislation.

Officials from the **Department of Elementary and Secondary Education (DESE)** assume the proposal would result in no fiscal impact to DESE. However, DESE officials assume districts increasing their number of non-certificated teaching staff may be able to pay such teachers less than an equivalent teacher possessing a professional teaching certificate. On a statewide basis, it is believed this would result in a savings in salary costs in excess of \$100,000 statewide. However, this assumes that a significant number of districts become a "teacher shortage district" by majority vote of the school board.

FISCAL IMPACT - State Government	FY 2001 (10 Mo.)	FY 2002	FY 2003
	<u><b>\$0</b></u>	<u>\$0</u>	<u>\$0</u>
FISCAL IMPACT - Local Government SCHOOL DISTRICTS	FY 2001 (10 Mo.)	FY 2002	FY 2003
Savings-School Districts Teacher Salaries	GREATER THAN <u>\$100,000</u>	GREATER THAN <u>\$100,000</u>	GREATER THAN <u>\$100,000</u>

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#### FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

#### **DESCRIPTION**

The school board of any school district could, by a majority vote, declare the district to be a "teacher shortage district". In the next school year after the declaration, the school board could employ noncertificated instructional personnel, provided that no more than 25% of the full-time equivalent instructional staff positions would be filled by noncertificated personnel.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

## SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Public School Retirement System
Non-Teacher School Employee Retirement System
Public School Retirement System of the School District of Kansas City
Joint Committee on Public Employee Retirement

Jeanne Jarrett, CPA

Director March 27, 2000